Long-term Measures:

(a) Promoting private sector investment in power sector.

(b) Higher emphasis on exploitation of hydro potential with an aim to reduce peak shortage.

(c) Transport of coal by ships for coastal power station and use of self-unloading ships.

(d) Coal benefication plants for new coal mines.

(e) Strengthening of Transmission and Distribution System for reducing losses and improving reliability.

(f) Energy Conservation and cogeneration.

Kayamkulam Thermal Power Project

324. SHRI M. A. BABY: Will the Minister of POWER be pleased to state:

(a) whether Government have given clearance to the Kayamkulam Thermal Power Project in Kerala;

(b) if so, the mode of funding for the project; and

(c) what would be power distribution formulate among the various Southern States?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILABEN CHIMANBHAI PATEL): (a) The Public Investment Board has cleared the Kayamkulam Thermal Power Project on 12th January, 1995 and final clearance is expected shortly.

(b) National Thermal Power Corporation (NTPC) proposes to finance the project from its internal resources, market and external commercial borrowings. Simultaneously, the project has been posed to the World Bank for part-financing under the time-slice loan.

(c) Under the Power Purchase Agreement signed between NTPC and Kerala State Electricity Board (KSEB), full allocation of power from the project is proposed to be made to KSEB.

Power Generation

325. SHRI BHUPINDER SINGH MANN: Will the Minister of POWER be pleased to state:

(a) what are the details of increase in power production during the current year in comparison to that of last year;

(b) to what extent, the requirement of power in the country will be fulfilled by increase in production; and

(c) the steps being taken to bridge the gap betwen the demand and supply?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILABEN CHIMANBHAI PATEL): (a) Details of energy generation during April, 1994—January, 1995 as compared to April, 1993—January, 1994 is given in table below:—

Energy Generation (Million Units)

Type of Generation	April 1994-January, 1995	April, 1993-January, 1994	% increase/decrease
Thermal . . .	213903	201751	(+)6.0
N clear . . .	4527	4705	(−)3.8
Hydro	70746	60151	(+)17.6
TOTAL: . . .	289176	266607	(+)8.5

(b) During the period April 1994—January 1995, the energy requirement in the country was 290326 Million Units against which the availability was 269729 Million Units which represents a shortage of 7·1 per cent. It may however be stated that the shortfall in energy during past few years have remained between 7·8 per cent. Inspite of sgnificant growth in power generation during the past few years the shortage remains on account of growth in demand for power, outstripping the growth in generation.

(c) In order to bridge the gap between demand and availability of power various measures being taken to improve the availability of power in the country include expediting the commissioning of new generating capacity, implementation of short gestation projects, improving the performance of existing power stations, reduction of Transmission and Distribution losses, implementation of better demand management and energy conservation measures, arranging transfer of energy from surplus to deficit areas and promotion of private sector investment in power sector.

MOUs with private firms for power Plants

326. SHRI SOM PAL: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that some State Governments have signed MOUs with private firms for setting up power plants without inviting competitive bidding;

(b) if so, whether the States are allowed to do so;

(c) if not, what action is contemplated in such matters;

(d) whether some guidelines have been issued in this regard and how the Central Government would ensure their observance by the State Governments;

(e) whether some cut off date has been prescribed for signing such MOUs;

(f) if so, what are the details and the rationale thereof; and

(g) what are the details of the MOUs signed so far and what is the amount and capacity involved in each of these MOUs?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILABEN CHIMANBHAI PATEL): (a) to (d) The policy to encourage private sector participation in power generation launched in 1991, allowed awarding power projects to private developers by the State Government through MOU route, and many states have awarded projects through MOU route. However, in the interest of transparency as well as to encourage competition, the Government of India (GOI) has advised the State Govts./UTs from time to time to adopt bidding route for awarding private power projects and also organised workshops or enhancing the capabilities of the State authorities to adopt bidding route. On 18th January, 1995, the Government of India while forwarding a set of guidelines for competitive bidding route for private power projects has intimated the State Govts./UTs that Central Electricity Authority will not entertain any future proposals which have not been processed through the procedure of competitive bidding.

(e) The letter regarding Government of India's decision was issued on 18th January, 1995. However, keeping in view the time it would take for the letter to reach all the States, the GOI requested all the State Governments/UTs to make available list of MOUs signed upto 18th February, 1995.

(f) Already replied above.